

REMARKS

Applicants reply to the Final Office Action mailed on December 24, 2008, within two months. Claims 1-3, 6-7, 10-11, 13-14, and 17-18 are pending in the application and the Examiner rejects claims 1-3, 6-7, 10-11, 13-14, and 17-18. Support for the claim amendments may be found in the originally-filed specification, claims, and figures. Applicants submit that no new matter has been introduced with these amendments. Applicants respectfully request reconsideration of this application.

Applicants' amendments merely further clarify the distinction between the first categorization and the second categorization, so Applicants assert that a new search should not be required.

35 U.S.C § 103

The Examiner rejects claims 1-3, 6-7, 10-11, 13-14, and 17-18 under 35 U.S.C. 103(a) as being unpatentable over Horan et al (2003/0225663) (Horan) in view of DeWolf et al (2002/0032626) (DeWolf) and Bergmann et al (2002/0143682) (Bergmann).

Bergmann generally discloses a system for incorporating the effect of taxes on the risk and expected return of asset classes in an investor portfolio. The system provides a process for developing an optimal, after-tax asset allocation strategy. More particularly, the system provides functionality to analyze the tax effect on asset classes so that financial planners can more accurately forecast after-tax total return and standard deviation. The Bergmann system also provides functionality to automatically calculate asset class data from a combination of data, from the standard asset classes and previously specified asset classes. For example, a custom asset class can be created by combining the characteristics of existing asset classes, "the return of the [custom asset class] is to be derived from 50% of the return to real estate, 25% of the return to small-cap stocks and 25% of the return to corporate bonds." (Para. 0011).

In the office action, the Examiner states that Bergmann discloses re-categorizing an ownership reallocation transaction. (Office Action p. 5). However, Applicants submit that a re-categorization of an ownership reallocation is not disclosed by Bergman. Instead, Bergman discloses grouping assets with like tax characteristics into an asset class

(e.g. fully taxable, tax deferred, tax exempt, employee stock ownership plan (ESOP), etc.) (See Bergman, para. 34). **Significantly, Bergmann does not disclose or contemplate analyzing the data related to the reallocation transaction, including the original category assigned to characterize the reallocation, and determining a tax treatment categorization based upon that analysis.** Bergman does not re-characterize the transaction because Bergman is simply concerned with calculating a tax basis for assets in a portfolio in order to forecast a contingent (i.e. unrealized) return for a portfolio and not with examining the tax treatment of an asset on a transaction by transaction basis.

In the Response to Arguments section of the Office Action (p. 10), the Examiner states that DeWolf discloses examining an ownership reallocation categorization and establishing a further categorization. As the Examiner cites, DeWolf discloses tracking multiple transactions throughout the life of the asset (Office Action p. 10; DeWolf para. 0048). **While DeWolf may disclose tracking multiple transactions and a category associated with each transaction, DeWolf does not disclose examining the category assigned to a transaction and establishing a second categorization based upon the first category and upon an expected tax treatment of the transaction.** For example, DeWolf discloses tracking the purchase of, maintenance on, insurance purchased, and loan obtained for a car, but these categories are dependent upon separate events and are exclusive of each other and not re-categorizations based upon an initial categorization of the same transaction. (See DeWolf, para. 48). Thus, DeWolf does not disclose re-categorizing similar to the presently claimed invention.

Therefore, none of the cited references, alone or in combination, disclose or contemplate at least,

...transforming, using a computer, the ownership reallocation category into one of a plurality of tax treatment categories to establish a tax treatment categorization of the reallocation, wherein the reallocation was previously categorized, by the product system, into one of a plurality of categories, and wherein the tax treatment categorization is based upon the ownership reallocation category and is associated with a tax treatment of the reallocation;

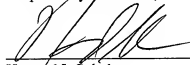
automatically calculating, using the computer, an adjusted cost basis of the asset based upon the asset, the reallocation of the ownership of the asset and the tax treatment categorization to enable tax-related calculations based upon the enhanced categorization...

as recited in independent claim 1 (emphasis added), and as similarly recited in independent claim 11. For at least this reason, Applicants respectfully submit that independent claims 1 and 11 are allowable over the cited references.

Dependent claims 2-3, 6-7, 10, 13-14, and 17-18 variously depend from independent claims 1 and 11, so dependent 2-3, 6-7, 10, 13-14, and 17-18 are allowable over the cited references for the reasons set forth above, in addition to their own unique features.

In view of the above remarks, Applicants respectfully submit that all pending claims properly set forth that which Applicants regard as their invention and are allowable over the cited references. Accordingly, Applicants respectfully request allowance of the pending claims. The Examiner is invited to telephone the undersigned at the Examiner's convenience, if that would help further prosecution of the subject application. The Commissioner is authorized to charge any fees due to Deposit Account No. 19-2814.

Respectfully submitted,



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Dated: _____

2/18/09

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